

Corrections and Law Enforcement

Youth and Adult Correctional Agency

2004-05	—
2005-06	\$3.1 million

Juvenile Justice Reform—The May Revision proposes \$3.1 million General Fund to begin implementation of a major reform of juvenile justice programs in California, particularly the state’s approach to addressing youthful offenders who pose the greatest risk to public safety. This reform effort will take a long-term strategic approach to reinventing California’s broken juvenile corrections system.

Office of the Inspector General for the Department of Corrections and Rehabilitation

2004-05	—
2005-06	\$7.5 million

Operations of the Office of the Inspector General—The May Revision proposes \$4.1 million General Fund to meet the resource needs of the Office of the Inspector General (OIG) based on a methodology developed to produce a workload-based budget as required by Chapter 733, Statutes of 2004. The OIG has experienced increased workload to meet federal court and statutory demands for additional oversight of the internal affairs and management operations of the California Department of Corrections (CDC) and the California Department of the Youth Authority (CYA).

Youth and Adult Correctional Agency Reorganization Workload—The May Revision proposes \$3.4 million General Fund to implement the additional workload resulting from the Youth and Adult Correctional Agency reorganization. Under this reorganization, the OIG will be required to perform pre-appointment reviews of prospective wardens, audits of each adult correctional institution at least once every four years, and a one year post-appointment audit of new wardens.

Department of Corrections

2004-05	\$19.7 million
2005-06	\$191.4 million

The May Revision proposes an increase of \$191.4 million General Fund for the CDC, which includes the following:

Inmate/Parolee Population/Caseload Changes

Current Year

Based upon the CDC's spring estimates, as well as the most recent actual population data, the May Revision reflects an estimated institutional Average Daily Population (ADP) of 163,025 inmates. This is six more than projected in the Governor's January Budget.

The projected parolee ADP is 113,600. This is an increase of 10,108 from the number projected in the Governor's January Budget.

The Governor's January Budget reflected the impact of the Parole Accountability programs on the institution and parole populations. Specifically, the projected institution and parole populations were revised downward by 465 and 9,862, respectively, in the current year. The May Revision projection reflects a reversal of those impacts and accounts for forecasted population changes. As such, the inmate and parolee population projections are reflective of the current trends, impact of parole programs that have been implemented to date, and a restoration of the 465 institution and 9,862 parole population adjustments assumed in the Governor's January Budget. The net effect of these population changes, as well as current year savings that did not materialize, are increases to the General Fund of \$20.3 million and reimbursements of \$34,000, and a decrease of \$61,000 to the Inmate Welfare Fund.

Budget Year

Based upon the CDC's spring estimates, the May Revision reflects an estimated institutional ADP of 165,249 inmates in 2005-06. This is 2,494 more than projected in the Governor's January Budget.

The projected parolee ADP is 110,335. This is an increase of 13,733 from the number projected in the Governor's January Budget.

Similar to the discussion regarding the current year population projection methodology, the Governor's January Budget reflected revisions to the budget year projections of 1,738 and 15,379 to the institution and parole populations, respectively, associated with the implementation of the Parole Accountability programs. The budget year projection reflects a restoration of those adjustments. In addition, the CDC projects increases to the inmate population due to an increase in new admissions from court and

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parole violators returned with new terms (PV-WNT), offset by a decrease in parole violators returned to custody (PV-RTC). In addition, the number of new admissions from court during 2004 was 48,938, a 6.2 percent increase over the previous year. There were also 9,214 PV-WNT returns during the period from July to December 2004, an increase of 1,156 (14.3 percent) compared to the same time period one year earlier. With respect to the parole population, the CDC indicates that the parole population is expected to increase, due to an increase in new admissions to prison and a decrease in the length of stay in prison. The net effect of the population changes, as well as projected savings that did not materialize, are increases of \$85.4 million to the General Fund, \$570,000 to the Inmate Welfare Fund, and \$79,000 to Reimbursements.

Critical Staffing and Facility Needs at the California Institution for Men—An increase of \$5.8 million General Fund to increase staff, improve staff and inmate safety, and address critical physical plant deficiencies. A review of the California Institution for Men's reception center staffing indicated that it was comparatively less than similarly designed reception centers of the same age. As such, 46 positions are included as critical for the timely and safe processing of inmates in the reception center and related areas. This is consistent with the audit findings from the Board of Corrections (BOC) and the OIG.

In addition, funding for modifications and repairs to the physical plant in the reception areas is proposed. Specifically, the funding is to modify the cell doors with cuff ports and replace cell and dayroom windows with security windows.

Revised Unallocated Reduction and Program Augmentation—The Governor's January Budget proposed a \$95.3 million General Fund unallocated reduction to the CDC. At that time, the reduction was directed towards inmate and parolee programs, but specific areas and positions were not identified. The Administration has reviewed the current parolee and inmate programs and proposes to reduce and/or eliminate those programs that have proven extremely difficult to implement and do not improve public safety, as outlined in the Youth and Adult Correctional Agency Strategic Plan. Therefore, the Administration has revised the proposed reduction and identified specific areas that will be impacted. Special consideration was given to those programs that have demonstrated an ability to achieve the goals defined in the adopted Strategic Plan. Consistent with this approach, the Administration proposes to restore \$51.2 million General Fund, resulting in a net reduction of \$44.1 million General Fund to the CDC budget.

Furthermore, the Administration proposes to return to the Legislature with a plan to provide inmates and parolees with expanded evidence-based programs that improve public safety and reduce victimization by reducing recidivism and preparing inmates to transition back into the community. As such, the May Revision proposes an augmentation of \$15 million General Fund (\$30 million ongoing), for the purpose of increasing and/or modifying existing programs or developing new programs that meet the goals of the Strategic Plan. These funds will not be available for expenditure by the CDC until such time as the plan has been submitted to the Legislature.

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Improvements in the Dental Program—The May Revision proposes an increase of \$17.3 million General Fund to implement improvements in the dental program as an effort to prevent a class action lawsuit. These funds will provide additional dental assistants and office technicians, establish the Dental Quality Management Assessment Team, and provide dental equipment and supplies to begin implementation of a comprehensive dental health delivery system.

Changes in Mental Health Services and Staffing—In order to comply with a court order issued under the Coleman lawsuit on March 7, 2005, the May Revision proposes an increase of \$5.2 million General Fund. These funds will be used to implement the revised guidelines for the mental health service delivery system in the Administrative Segregation Unit and Security Housing Unit at the California State Prison-Corcoran and to fund recruitment and retention pay differentials for mental health positions at 12 institutions.

Reduction of Plata Settlement Costs—The May Revision reflects \$10.6 million in General Fund savings to the Plata settlement costs that were included in the Governor's January Budget. This is due to the updated information that resulted in decreased staffing needs and contracting costs.

Department of the Youth Authority

2004-05	\$18.8 million
2005-06	\$13.5 million

The May Revision proposes an increase of \$13.5 million General Fund for the CYA, which includes the following:

Ward/Parolee Population/Caseload Changes

Current Year

For 2004-05, the May Revision estimate for the year-end institution population is 3,040, a decrease of 390 wards from the projection included in the Governor's January Budget. Despite this population decline, due to a decrease in the level of county reimbursements, a need to adjust the reimbursement base in other areas to reflect actual collections, and errors identified in the way the CYA budgeted prior year institution closures, a General Fund increase of \$15.1 million will be needed and reimbursements will be decreased by \$11.5 million. In addition, the Governor's January Budget had included the anticipated closure of three fire camps effective March 1, 2005. Due to labor issues, the May Revision now reflects a June 1, 2005 closure date, and an increase of \$1.5 million General Fund. In addition, the year-end parole population is projected to be 3,775, a decrease of 15 parolees from the Governor's January Budget projection. However, due to an increase in the number of parolees that require more staff intensive re-entry services, an increase of \$27,000 General Fund is proposed. The net impact of the population adjustment is an increase of \$3.6 million, composed of an additional \$15.1 million General Fund and a \$11.5 million decrease in reimbursements.

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Budget Year

For 2005-06, the year-end institution population is projected to be 2,615, a decrease of 715 wards from the projection included in the Governor's January Budget. Additionally, the year-end parole population is now estimated to be 3,375, a decrease of 75 parolees since the Governor's January Budget estimates. These decreases will result in a net program reduction of \$3.3 million. However, due to a decrease in the level of county reimbursements, a need to adjust the reimbursement base in other areas to reflect actual collections, and errors identified in the way the CYA budgeted prior year institution closures, a General Fund increase of \$6.6 million will be needed and reimbursements will be decreased by \$9.8 million.

Farrell v. Allen Remedial Plans—In 2002, the Prison Law Office sued the State of California over the conditions of confinement at facilities statewide. The lawsuit, *Farrell v. Allen*, sought a comprehensive overhaul of CYA programs. In July 2004, the state entered into a consent decree to settle this lawsuit. The consent decree requires CYA to develop and implement remedial plans that address various deficiencies in CYA's education programs, medical care, mental health services, sex offender treatment, accessibility for wards with disabilities, and general ward safety and welfare.

The May Revision includes \$6.8 million General Fund to implement remedial plans submitted to the court in April and May 2005. These plans address the areas of mental health, sex offender treatment, and disabilities. An April 1 Finance Letter was also submitted requesting funding for the implementation of the education remedial plan that was submitted to the court in March 2004. Final remedial plans in the areas of medical care, mental health, and general ward safety and welfare are currently being developed and are not due to the court until fall of 2005. Until these plans are complete, the fiscal implications of these plans will not be known.

Juvenile Justice Crime Prevention Act

2004-05	—
2005-06	\$1.1 million

The Governor's January Budget proposed a reduction of \$75 million General Fund in the Juvenile Justice Crime Prevention Act (JJCPA) funding, previously budgeted as part of Local Government Financing, and shifted the remaining \$25 million General Fund to the BOC. The May Revision proposes to restore this funding, but achieve a one-time General Fund savings of \$73.9 million General Fund by adjusting the timing of the allocation of JJCPA funding to local governments to be more consistent with the time frames in which it is actually spent. This will not result in any reductions in the local JJCPA programs.

Due to the way this program was initially implemented, counties receive these funds early in the fiscal year, but are not able to expend them until their JJCPA expenditure plan is approved by the BOC in April or May each year. As a result, state funding for this program is distributed to counties almost a

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year in advance of when it is actually needed. Prior to expenditure, counties can collect interest on these funds as long as the additional income is ultimately spent on the JJCPA programs. In order to achieve one-time savings and restore full funding for this program in future years, the May Revision proposes the following:

- Shift \$25 million General Fund in JJCPA funding from BOC back to the Local Government Financing budget for allocation on April 1, 2006, providing only the three months of funding needed to fund these programs during the Fiscal Year.
- Increase the Local Government Financing budget by \$1.1 million General Fund on a one-time basis to provide counties with interest lost on the nine months of funding they will not receive in fiscal year 2005-06.
- Restore the full \$100 million General Fund allocation for JJCPA beginning in fiscal year 2006-07.

Additionally, the Administration proposes to withdraw the Trailer Bill proposal that would have de-linked the JJCPA and Citizens' Option for Public Safety (COPS) funding and propose necessary Budget Bill language to ensure that the one-time change in JJCPA allocations can occur without affecting the proposed level of COPS funding.

Board of Prison Terms

2004-05	—
2005-06	\$1.9 million

The May Revision proposes a net increase of \$1.9 million General Fund for the Board of Prison Terms, which includes the following adjustment:

Parole Revocation Caseload—The May Revision proposes \$2.1 million General Fund to meet the increased caseload projection for processing parole revocation cases. The parole revocation caseload projection reflects an increase from 85,000, as proposed in the Governor's January Budget, to 89,656.

Department of Corrections and Rehabilitation

2004-05	—
2005-06	—

The May Revision reflects the Governor's Reorganization Plan for the consolidation of the departments and boards under the Youth and Adult Correctional Agency into the new Department of Corrections and Rehabilitation (DCR). This is reflected through the deletion of the current appropriations for the Youth and Adult Correctional Agency, Department of Corrections, Board of Corrections, Board of Prison Terms, Department of the Youth Authority, and the Commission on Correctional Peace Officer's Standards and Training and the addition of appropriations for the DCR.

Department of Justice

2004-05	\$1.8 million
2005-06	\$2.0 million

DNA Fingerprint, Unsolved Crime, and Innocence Protection Act (Proposition 69)—With the passage of Proposition 69, DNA information for every felon, including those currently incarcerated or on probation or parole, will be collected and contained in the state’s DNA Data Bank. The January Governor’s Budget proposed \$11.2 million from the DNA Identification Fund and 45.6 positions in 2005-06 for the Department of Justice (DOJ) to address workload resulting from expanded collections of DNA, palm prints, and thumbprints. Based on an increased number of DNA samples that the DOJ expects to process in 2005-06, the May Revision includes an augmentation of \$6.7 million, comprised of \$2 million General Fund and \$4.7 million DNA Identification Fund, and 24.7 positions.

Office of Homeland Security

2004-05	—
2005-06	—

Establishing the Office of Homeland Security—The Administration is proposing legislation that would establish the California Office of Homeland Security (OHS) as a new state agency. Currently, the OHS exists as a program within the Office of Emergency Services (OES). In addition, the Administration is proposing to increase Federal Trust Fund authority for OHS activities by \$146.4 million. The proposed increase includes \$29.3 million Federal Trust Fund for state operations to support homeland security activities performed by other state agencies and provide an additional 20 positions to ensure that the OHS has sufficient resources to operate as an independent agency. The remaining \$117.1 million will be allocated to budget to local agencies for homeland security activities for fiscal year 2005-06.

Office of Emergency Services

2004-05	\$22.3 million
2005-06	\$40.1 million

Southern California Winter Storms—The May Revision proposes a \$35 million General Fund increase in 2005-06 for the estimated costs of response and recovery efforts related to recent federally declared disasters in Southern California. Two heavy storms caused flooding, debris flows, and building and infrastructure damage to seven counties in Southern California in late 2004 and early 2005. This increase will fund the state’s share of the costs associated with these disasters. The increased costs of these disasters in 2004-05 are funded through statutory authority.

Fire Engines for Mutual Aid Support—The May Revision proposes an increase of \$5 million General Fund in 2005-06 to purchase new fire engines for mutual aid support, consistent with the recommendations of the Governor’s Blue Ribbon Fire Commission which was formed following the 2003 Southern California wildfires. These engines will be housed at local fire departments and staffed by local personnel. Additional engines placed in communities throughout the state will improve the ability of state and local agencies to respond to wildfires, particularly those in Wildland/Urban Interface areas where fires can have a devastating effect on people, property, and communities. There is a related issue under the Resources and Energy section in this report which also proposes \$5 million General Fund for the California Department of Forestry and Fire Protection to purchase fire engines.